

UNITED STATES  
DEPARTMENT OF  
AGRICULTURE

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COMMODITY  
CREDIT  
CORPORATION

KANSAS CITY  
COMMODITY OFFICE  
P.O. BOX 419205  
KANSAS CITY, MO 64141-6205

# ANNOUNCEMENT KCPBC1

## PURCHASE OF BULK COMMODITIES



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## ANNOUNCEMENT KCPBC1 PURCHASE OF BULK COMMODITIES

### 1. GENERAL

#### A. Invitation for Offers

- (1) The Commodity Credit Corporation (CCC) will from time to time issue an invitation for offers under this announcement to sell bulk commodities instore, to CCC.
- (2) The invitation will specify the office to which offers are to be submitted, the closing time for receipt of offers, and provisions applicable to the proposed procurement which are in addition to or different from those set forth herein.

#### B. Terms and Conditions

- (1) Provisions of "General Terms and Conditions for the Procurement of Agricultural Commodities or Services," USDA-1, Revision No. 2, as amended (USDA-1), are incorporated as specified in Section 5 of this announcement.
- (2) Offerors are cautioned to read all terms and conditions of USDA-1, this announcement, and the invitation.

### 2. ELIGIBILITY OF OFFERORS

To be eligible to submit an offer under this announcement, the offeror must:

#### A. Meet the definitions of a dealer or manufacturer as defined below. **Brokers are ineligible to submit offers.**

- (1) Manufacturer, means a person that owns, operates, or maintains a factory or establishment that produces on the premises the materials, supplies, articles, or equipment required under the contract and of the general character described by the specifications.
- (2) Regular dealer, means a person that owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles, or equipment of the general character described by the specifications and required under the contract are bought, kept in stock, and sold to the public in the usual course of business.

- B. Have a Uniform Grain and Rice Storage Agreement (UGRSA) with CCC and be on CCC's List of Approved Warehouses or be recognized members of the grain industry with either direct ownership of the UGRSA warehouse named in their offer or be otherwise able to provide negotiable warehouse receipts made out in the name of CCC for the kind, quality, and quantity issued on the approved UGRSA warehouse named in their offer.

### 3. SUBMISSION OF OFFERS

#### A. How to Submit Offers

- (1) Offers must be submitted by regular mail, express mail, facsimile, Telex, Easylink, or hand delivered. **(The invitation will specify the office to which offers are to be submitted).** Offers must be a signed original offer form. Reproductions of the offer form are acceptable.
- (2) Envelopes containing the offers are to be sealed and marked with the name and address of the offeror in the upper left corner. Offers submitted by express mail, must be sealed inside a second envelope. All envelopes are to have Optional Form OF-17, Offer Label, filled in and attached or must be plainly marked with the following statement: **"DO NOT OPEN UNTIL PRESCRIBED TIME UNDER ANNOUNCEMENT KCPBC1, INVITATION (Enter Appropriate Invitation Number)."** If overnight/express service is utilized, this statement must be printed clearly on the outer express envelope, not the mailing label.
- (3) Modifications, withdrawals of offers, and price adjustments may be submitted by letter, express mail, facsimile, Telex, Easylink, or hand delivered.
- (4) Modifications, withdrawals of offers, and price adjustments may be submitted via facsimile at the offeror's risk. CCC will not be responsible for any failure attributed to the transmission or receipt of facsimile changes including, but not limited to the following:
  - (a) Receipt garbled or incomplete.
  - (b) Availability or condition of the receiving facsimile equipment.
  - (c) Incompatibility between the sending and receiving equipment.
  - (d) Delay in transmission or receipt of price changes.
  - (e) Failure of the bidder to properly identify the information.
  - (f) Illegibility of the information.
  - (g) Security of data.

- (5) Changes by facsimile must contain the required signatures.

**B. Where and When to Submit Offers**

- (1) Offers, modifications, or withdrawals of offers must be submitted to the Kansas City Commodity Office (KCCO) and received by the date and local time specified in the invitation for receipt of offers. In the event such date falls on a business day when KCCO is officially closed, offers must be received by the specified time on the next succeeding business day.
- (2) If mailed, express mailed, or hand delivered, time of receipt will be the time recorded by the Kansas City Management Office (KCMO) mailroom's time stamp.
- (3) If sent by facsimile, time receipt will be the time recorded by the KCMO Communication Center's equipment.

**C. Basis of Offer**

- (1) An offer must express a price per bushel for the delivery of the commodity as specified in the invitation on an instore basis. Negotiable Warehouse Receipts to show "in elevation paid."
- (2) The content of an offer will include:
  - (a) The warehouse code;
  - (b) The bushel quantity, kind, quality, class, and protein (if wheat) as applicable.

**4. ACCEPTANCE OF OFFERS**

- A. CCC will notify successful offerors on the date specified in the invitation. The date of acceptance by CCC will be the contract date.
- B. In addition to the price, factors considered in accepting offers will include, but not limited to, location, the total cost to the Government including storage rate, and the responsibility of the offeror as demonstrated by prior contract performance.
- C. CCC may accept or reject any or all offers, or portions thereof.

**5. PROVISIONS OF CONTRACT**

- A. The contract consists of:
  - (1) Contractor's offer.
  - (2) CCC's acceptance.
  - (3) The applicable invitation.

- (4) This announcement.
- (5) USDA-1, except Article 5, 6, 7, 50 and all of Part E.
- B. If the provisions of USDA-1, and this announcement are not consistent, the provisions of this announcement will prevail. If the provisions of USDA-1, this announcement, and the invitation are not consistent, those of the invitation will prevail.
- C. No interpretation or amendment of this announcement is valid or enforceable unless such interpretation or amendment is in writing and executed by the contracting officer.

## 6. RESPONSES TO ILLEGAL OR IMPROPER ACTIVITY

### A. Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity

- (1) If the Government receives information that a contractor or a person has engaged in conduct constituting a violation of subsection (a), (b), (c), or (d) of section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) (the Act), as amended by section 4304 of the 1996 National Defense Authorization Act for Fiscal Year 1996 (Pub. L. 104-106), the Government may:

- (a) Cancel the solicitation, if the contract has not yet been awarded or issued; or

- (b) Rescind the contract with respect to which:

convicted

- 1) The contractor or someone acting for the contractor has been

- for an offense where the conduct constitutes a violation of subsection 27 (a) or (b) of the Act for the purpose of either:

- a) Exchanging the information covered by such subsections for anything of value; or

- b) Obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract; or

- 2) The head of the contracting activity has determined, based upon a preponderance of the evidence, that the contractor or someone acting for the contractor has engaged in conduct constituting an offense punishable under subsections 27(e)(1) of the Act.

- (2) If the Government rescinds the contract under paragraph A. (1) of this clause, the Government is entitled to recover, in addition to any penalty prescribed by law, the amount expended under the contract.
- (3) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law, regulation, or under this contract.

**B. Price or Fee Adjustment for Illegal or Improper Activity**

- (1) The Government, at its election, may reduce the price of a fixed-price type contract and the total cost and fee under a cost-type contract by the amount of profit or fee determined as set forth in paragraph B. (2) of this clause if the head of the contracting activity or designee determine that there was a violation of subsection 27 (a), (b), or (c) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), as implemented in section 3.104 of the Federal Acquisition Regulation.
- (2) The price or fee reduction referred to in paragraph B. (1) of this clause shall be:
  - (a) For cost-plus-fixed-fee contracts, the amount of the fee specified in the contract at the time of the award;
  - (b) For cost-plus-incentive-fee-contracts, the target fee specified in the contract at the time of award, notwithstanding any minimum fee or “fee floor” specified in the contract;
  - (c) For cost-plus-award-fee contracts;
    - 1) The base fee established in the contract at the time of contract award;
    - 2) If no base fee is specified in the contract, 30 percent of the amount of each award fee otherwise payable to the contractor for each award fee evaluation period or at each award fee determination point.
  - (d) For fixed-price incentive contracts, the Government may:
    - 1) Reduce the contract target price and contract target profit by an amount equal to the initial target profit specified in the contract at the time of contract award; or
    - 2) If an immediate adjustment to the contract target price and contract target profit would have a significant adverse impact on the incentive price revision relationship under the contract, or adversely affect the contract financing provisions, the contracting officer may defer such adjustment until establishment of the total final price of the contract. The total final prices established in accordance with the incentive price revision provisions of the contract award and such reduced price shall be the final contract price.

- (e) For firm-fixed-price contracts, by 10 percent of the initial contract price or a profit amount determined by the contracting officer from records or documents in existence prior to the date of the contract award.
- (3) The Government may, at its election, reduce a prime contractor's price or fee in accordance with the procedures of paragraph B. (2) of this clause for violations of the Act by its subcontractors by an amount not to exceed the amount of profit or fee reflected in the subcontract at the time the subcontract was first definitively priced.
- (4) In addition to the remedies in paragraphs B. (1) and B. (3) of this clause, the Government may terminate this contract for default. The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law or under this contract.

**7. PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT**

- A. The Government suspends or debar contractors to protect the Government's interests. Contractors must not enter into any subcontract equal to, or in excess of, the small purchase limitation of \$25,000 with a contractor that has been debarred, suspended, or proposed for debarment unless the acquiring agency's head or designee determines there is a compelling reason for such action (FAR 9.405).
- B. The contractor must require each proposed first-tier subcontractor, whose subcontract shall exceed the small purchase limitation of \$25,000, to disclose to the contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the federal government.
- C. A corporate officer or a designee of the contractor must notify the contracting officer, in writing, before entering into a subcontract with a party that is debarred, suspended, or proposed for debarment (See FAR 9.404 for information on the List of Parties Excluded from Federal Procurement Programs). The notice must include the following:
  - (1) The name of the subcontractor;
  - (2) The contractor's knowledge of the reasons for the subcontractor being on the List of Parties Excluded from Federal Procurement Programs;
  - (3) The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion on the List of Parties Excluded from Federal Procurement Programs;

- (4) The systems and procedures the contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

## **8. COMMODITY SPECIFICATIONS**

### **A. Domestic Origin**

- (1) The product delivered under this announcement must be produced in the United States from commodities produced in the United States.
- (2) The product delivered under this announcement will not be considered to be produced in the United States if it contains any ingredient not produced in the United States, if that ingredient is produced and is commercially available in the United States at fair and reasonable prices.
  - (a) An "ingredient" means any component of the product including, but not limited to, vitamin premixes, or mineral enrichments and Tricalcium phosphate.
  - (b) "Commercially available in the United States at fair and reasonable prices" means any ingredient produced in the United States, the price of which has currently been determined by CCC to be both competitive and reasonable.
- (3) For purposes of this section, the following definition applies:

"Produced in the United States" means manufactured, processed, mined, harvested, or otherwise prepared for sale or distribution, from components originating in the United States. Components originating in the United States which have been exported, and subsequently imported back into the United States, will not be considered as having been produced in the United States.
- (4) The contractor must maintain records to verify that during the contract shipping period, at the point of packaging or, in the case of bulk commodities, at the point of delivery to CCC, the product was in compliance with the domestic origin requirements of this section of the announcement. (See Article 76 of USDA-1)
- (5) CCC will randomly conduct domestic origin compliance reviews to determine if the product delivered to CCC was produced and manufactured in the U.S. from materials produced and manufactured in the U.S. Upon request, the contractor must submit documentation substantiating compliance to the contracting officer for review. This documentation may include procurement, production, inventory, delivery, and any other pertinent records. Onsite reviews may also be performed, at the discretion of CCC.

- B. The invitation will specify the quality of the commodity required.

- C. The definitions, grades, and grading factors used in all determinations under this contract will be those contained in the Official United States Standards for Grains issued by the Federal Grain Inspection Service (FGIS) and in effect at the time of purchase by CCC.

## **9. DELIVERY**

- A. The commodity offered to CCC for purchase must be delivered from points within the continental United States.
- B. The commodity must be delivered instore at an approved UGRSA warehouse. The contractor must furnish to CCC at the Kansas City Commodity Office within the time specified in the Invitation, negotiable Warehouse Receipts made out in the name of CCC for the quality, quantity and at the location called for in the contract. Negotiable Warehouse Receipts to show "in elevation paid", and must indicate all factors pertaining to the grade and protein (if wheat) as applicable.
- C. The start storage date will be the day following CCC's receipt of negotiable Warehouse Receipts. The negotiable Warehouse Receipts are to be received by CCC, Warehouse Contract Division (WCD), Grain Contract Branch (GCB), prior to 2:00 p.m., CDT, on a business day to ensure a start storage date of the following day.

## **10. TITLE AND RISK OF LOSS**

Transfer of title to CCC will occur when acceptable negotiable Warehouse Receipts are received by CCC.

## **11. INVOICES FOR PAYMENT**

- A. Contractor must furnish acceptable negotiable Warehouse Receipts with an invoice for payment.
- B. All required documentation is at contractor's expense.

- C. Invoicing and payment will be handled in accordance with Article 70, USDA-1. Invoices must be mailed to:

- (1) By regular mail:

Kansas City Commodity Office  
WCD/GCB  
P.O. Box 419205  
Kansas City, MO 64141-6205

- (2) Users of various express delivery services:

Kansas City Commodity Office  
WCD/GCB  
Suite 150, First Floor  
9200 Ward Parkway  
Kansas City, MO 64114-3315  
(Hours: 7:00 A.M. - 5:00 P.M.)

- D. Payments for the purchase contract and storage may be made directly to a financial banking institution. To receive payments electronically, Standard Form 1199A, Direct Deposit Sign-Up Form and Form W-9, Request for Taxpayer Identification Number and Certification, must be completed. The Debt Collection Improvement Act of 1996 amended 31 U.S.C. 3332 requires Federal agencies to convert all Federal payment from checks to electronic fund transfers no later than January 1, 1999. If you have any questions or would like these forms mailed to you, contact Commodity Financial Operations Division, ICB.
- E. CCC will make payment in accordance with the requirements of the Prompt Payment Act.
- F. Contractor must submit an invoice in original and two copies supported by negotiable Warehouse Receipts.

## **12. INQUIRIES**

Inquiries pertaining to USDA-1 and this announcement should be directed to:

Kansas City Commodity Office  
Bulk Grain Division  
P.O. Box 419205  
Kansas City, MO 64141-6205

Alan King  
Director  
Kansas City Commodity Office